

4 November 2025

## Sale of Kolosori Nickel Project

### Summary

- Pacific Nickel International Pty Ltd (**PNI**), a subsidiary of Pacific Nickel Mines Limited (ASX:PNM) has executed:
  - a Share Sale and Purchase Agreement to sell 100% of its interest in the Kolosori Nickel Project in Solomon Islands to Green Rock Limited (**Buyer**) (**SPA**). G.R.P. & Associates Limited (**Guarantor**) has agreed to guarantee the obligations of Green Rock under the SPA;
  - a Deed of Release with Glencore International AG (**Glencore**) that will release PNM from any liability under the Glencore Secured Facility Agreement;
  - a Royalty Agreement with the Buyer.
- The sale price for all the issued shares in Pacific Nickel Mines (SI) Ltd is A\$1.00.
- The sale is subject to several conditions precedent including PNM obtaining shareholder approval and receipt of a number of regulatory approvals in the Solomon Islands by the Seller. A list of the conditions is set out in Annexure A.
- Completion of the proposed transaction is targeted to occur by late January 2026.
- Pursuant to the Royalty Agreement, PNI will receive a royalty based on ore shipped from the Kolosori Nickel Project provided certain royalty conditions are met.
- PNM is in active discussions in relation to new business opportunities in the mining and exploration industry.

Pacific Nickel Mines Limited (ASX:PNM) (**PNM** or the **Company**) advises that PNM's wholly owned subsidiary, Pacific Nickel International Pty Ltd (**PNI**) has entered into a Share Sale and Purchase Agreement (**SPA**) with Green Rock Limited (**Buyer**) in relation to the sale of 100% of the shares in Pacific Nickel Mines (SI) Ltd (**PNMSI**) held by PNI (**Proposed Sale**). PNMSI is the 80% shareholder of Pacific Nickel Mines Kolosori Ltd (**PNMK**), the owner and operator the Kolosori Nickel Project, and Pacific Nickel Mines Vareii Limited (**PNMV**), the owner of the Jejevo Project. G.R.P. & Associates Limited (**Guarantor**) has agreed to guarantee the obligations of the Buyer under the SPA. The Buyer and the Guarantor are not a Listing Rule 10.1 (i.e. a related party or a substantial (10%+) holder in PNM).

As part of the Proposed Sale, PNM and PNI have also entered into a deed of release (**Glencore Deed of Release**) with Glencore International AG (**Glencore**), the financier of the Kolosori Nickel Project, releasing PNM from any liability under the Glencore Secured Facility Agreement pursuant to which PNM currently guarantees US\$22 million plus interest of approximately US\$8.6 million borrowed by the PNM group. Details of the Glencore Secured Facility Agreement have been disclosed in previous

ASX announcements (for example see [Major Milestone, Glencore Execute Kolosori Finance Agreement](#) dated 19 April 2023). The Deed of Release with Glencore will take effect on completion under the SPA. Entry into the Glencore Deed of Release is also a condition precedent to completion under the SPA.

PNI has also entered into a royalty agreement with the Buyer (**Royalty Agreement**) to pay PNI a royalty based on ore shipped from the Kolosori Nickel Project provided certain royalty conditions are met.

### **Proposed Sale summary**

A summary of the terms of each of the following key transaction documents is set out in Annexure A to this announcement:

- (a) the SPA;
- (b) the Royalty Agreement; and
- (c) the Glencore Deed of Release.

A summary of the key terms of the Proposed Sale is as follows:

- (a) PNI proposes to sell 100% of the shares in PNMSI to the Buyer.
- (b) PNMSI holds 80% of the shares in PNMK and PNMV. The other 20% of the shares in PNMK and PNMV are held by other persons, and as far as PNI is aware, those persons will retain their shareholdings in these companies;
- (c) the SPA includes the following key terms:
  - (i) the Purchase Price is \$1;
  - (ii) the Buyer will grant PNI a royalty pursuant to a separate Royalty Agreement. The key terms of the Royalty Agreement are that on and from the first full calendar month following the completion date under the SPA, the Buyer agrees to pay an amount equal to the Royalty Amount (if any) to PNI each calendar month provided that the Royalty Conditions are met, where:
    - (A) the **Royalty Amount** is an amount equal to 1% of the free on board price received by PNMSI for the sale of Nickel (Ni) ore produced by the Kolosori Nickel Project during any calendar month; and
    - (B) the Royalty Conditions are:
      - (i) the calendar month-long arithmetic average of the daily price quoted on the Shanghai Metals Market “Ni1.5%,Fe15-25%,FOB,Philippines Price, USD/wmt” screen (**Screen Rate**) exceeds US\$72 per tonne; and
      - (ii) at least 170,000 tonnes of Nickel (Ni) ore are shipped from the Kolosori Nickel Project within that same calendar month;
  - (iii) the Proposed Sale is subject to several conditions precedent which are set out in full at Annexure A. These conditions precedent include that:

- (A) PNM obtain shareholder approval for the Proposed Sale for the purposes of ASX Listing Rule 11.2;
- (B) the Seller obtains certain regulatory approvals in the Solomon Islands; and
- (C) PNM, PNI, PNMSI and PNK and PMNV enter into other various transaction documents, including:
  - (i) the Deed of Release with Glencore releasing PNM and PNI from any liability under the Glencore Secured Facility Agreement;
  - (ii) the HBS Deed of Termination and Release providing for the termination of a project services agreement;
  - (iii) the HBS Acknowledgement Letter providing for HBS to release PNM and PNI from any claims;
  - (iv) the Royalty Agreement; and
  - (v) the Jejevo Share Pledge between PNMSI and Glencore for a grant by PNMSI of a security interest over its shares in PNMV;
- (D) withdrawal or discontinuance of Civil Case Number 215 of 2025 in the High Court of the Solomon Islands;
- (E) PNM completing a pre-completion restructure; and
- (F) the amendment of the PNMK Shareholders Agreement including the removal of PNM as a party.

These conditions must be fulfilled or waived by 3 February 2026 (being three months after signing the SPA, or such other date agreed by PNI and the Buyer); and

- (iv) customary provisions in relation to warranties, indemnities, confidentiality, publicity, assignment, dispute resolution, termination and governing law.

At this time, PNM does not propose to make any changes to its board or senior management as a result of the Proposed Sale.

### **Rationale for the Proposed Sale**

As previously announced by PNM, after a thorough review of the Kolosori operation, the Company, in consultation with Glencore (as project financier), agreed that the best course of action in the short term was to cease operations and review the project in light of the operational issues and the weak nickel price outlook in the short to medium term.

Glencore provided a US\$22m secured loan facility for the development of the Kolosori Nickel Project which has been subsequently increased to US\$25m. As disclosed on 13 June 2024, PNM has not yet commenced repayment of the Glencore loan as originally anticipated.

The PNM Board has now determined that it is in the best interests of the Company to enter into the SPA for the sale of the Kolosori Nickel Project.

## ASX Listing Rules

The Company will be disposing of its main undertaking (being the Kolosori Nickel Project) under the SPA and accordingly, Listing Rule 11.2 will apply to require the Company to seek prior shareholder approval.

A disposal by a listed entity of its main undertaking can also raise issues under ASX Listing Rule 12.1 and 12.2, which obliges a listed entity to satisfy ASX on an ongoing basis that the level of its operations is sufficient and its financial condition adequate, to warrant its continued quotation of its securities.

ASX has advised PNM that it is not in compliance with Listing Rule 12.1 and 12.2 and that it will remain suspended, as disclosed in ASX's announcement titled '*Continuation of Suspension from Quotation*' dated 23 June 2025.

As a result of the Company having disposed of its main undertaking for the purpose of Listing Rule 11.2, Listing Rule 11.1.3 is likely to apply to any future acquisition by the Company, which may require the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules (which will involve, amongst other matters, the issue of a prospectus and making a fresh application for admission to ASX).

## Shareholder Approval

As set out above, the SPA is subject to a number of conditions, including the Company obtaining shareholder approval under Listing Rule 11.2 (**Shareholder Approval**). The Company's Board expects to seek Shareholder Approval for the Proposed Sale at PNM's 2025 annual general meeting (**AGM**) in November 2025.

Subject to Shareholder Approval being obtained and the other conditions being satisfied (or waived, as applicable), completion of the SPA is targeted for late January 2026 (with the due date for satisfaction/waiver of all conditions prior to that date, which may be extended by the parties). PNM shareholders do not need to take any action at the present time.

Further detail of the resolution seeking Shareholder Approval, including the advantages and disadvantages of the Proposed Sale and a voting exclusion statement will be provided in the Notice of AGM and Explanatory Statement for the AGM to approve the Proposed Sale (**AGM Documents**).

## Indicative timetable

Date	Event
3 November 2025	Execution of SPA.
Mid-November 2025	Issue of AGM Documents and despatch to PNM shareholders. The AGM Documents will provide additional details on the Proposed Sale.
Mid December 2025	AGM to approve the Proposed Sale for the purposes of Listing Rule 11.2 (and certain other resolutions not relating to the Proposed Sale).

<b>Date</b>	<b>Event</b>
Asap, and by late January 2026	Expected satisfaction of conditions and completion under the SPA.
3 February 2026	Due date for satisfaction/waiver of conditions to the Proposed Sale (three months after the date of the SPA, or any other date agreed in writing by the Buyer and PNI).

The dates above (and references to those dates throughout this document) are indicative only and are subject to (a) any changes that may be agreed between PNM and the Buyer, (b) any changes that may be agreed in consultation with the ASX or (c) delays caused by the satisfaction of the conditions (including Shareholder Approval) to completion of the Proposed Sale. The Company will update shareholders via the ASX market announcements platform and PNM's website as appropriate when the relevant events are reached, changed, or decisions made.

This announcement has been authorised by the Board of Pacific Nickel Mines Limited

Gary Stewart  
Company Secretary

## Annexure A – Key Terms of the Key Transaction Documents

<b>Agreement</b>	Share Sale and Purchase Agreement
<b>Parties</b>	<p>Pacific Nickel International Pty Limited (ACN 645 921 866) (<b>PNI</b>)</p> <p>Green Rock Limited (Solomon Islands Company Number 20251085) (<b>Buyer</b>)</p> <p>G.R.P. &amp; Associates Limited (Solomon Islands Company Number 1000097) (<b>Guarantor</b>)</p>
<b>Transaction</b>	<p>The Buyer to pay the Consideration to acquire 100% of PNI's shareholding in Pacific Nickel Mines (SI) Ltd (Solomon Islands company number 201617843) (<b>PNMSI</b>). PNMSI is a Solomon Islands incorporated company which owns 80% of the shares in:</p> <ul style="list-style-type: none"> <li>(a) Pacific Nickel Mines Kolosori Ltd (Solomon Islands company number 20211787) (<b>PNMK</b>); and</li> <li>(b) Pacific Nickel Mines Varei Limited (Solomon Islands company number 20212548) (<b>PNMV</b>),</li> </ul> <p>that own and operate the Kolosori Nickel Project.</p> <p>PNM and PNI will be discharged from any obligations under the Glencore Loan and Security Documents.</p> <p>The Guarantor guarantees of the obligations of the Buyer.</p>
<b>Share Sale</b>	Sale of 991,748,670 issued shares in the capital of PNMSI held by PNI, being 100% of the share capital of PNMSI, to be acquired by the Buyer.
<b>Consideration</b>	The total purchase price is A\$1.
<b>Conditions Precedent</b>	<p>Completion of the SPA is conditional on each of the following conditions being satisfied or waived:</p> <ul style="list-style-type: none"> <li>(i) the Company having obtained shareholder approval for the Sale for the purposes of the ASX Listing Rule 11.2;</li> <li>(ii) the deed of termination and release (<b>HBS Deed of Termination and Release</b>) having been executed by HBS (SI) Limited, a Solomon Islands company (<b>HBS</b>) and PNMK, which provides (among other matters), for termination of the project services agreement between PNMSI and HBS dated June 2023 for the provision by HBS of certain mining services to PNMSI;</li> </ul>

	<ul style="list-style-type: none"> <li>(iii) the acknowledge letter (<b>HBS Acknowledgement Letter</b>) having been executed by HBS, PNM, PNI and PNMK, which provides (among other matters), for HBS to release PNM and PNI from any claim;</li> <li>(iv) the agreed form Royalty Agreement having been executed by PNI and the Buyer;</li> <li>(v) the agreed form deed of release (<b>Glencore Deed of Release</b>) having been executed by Glencore, PNM and PNI from any obligations to repay the amount outstanding under the Secured Facility Agreement;</li> <li>(vi) the share pledge agreement (<b>Jejevo Share Pledge</b>) having been executed by PNMSI and Glencore, with respect to the grant by PNMSI on and from completion, of a security interest over its shares in PNMV;</li> <li>(vii) PNI completing the transfer of all of the shares held by any PNMSI group member in certain exiting companies to PNM, PNI or another third party for consideration determined by PNI (<b>Pre-Completion Restructure</b>);</li> <li>(viii) by five Business Days prior to the Conditions Precedent End Date, in relation to the Development Consent, the Buyer receives: <ul style="list-style-type: none"> <li>(a) any approvals or consents from the relevant Government Agency of the Solomon Islands that are legally required under the Environment Act for the Transaction to proceed; or</li> <li>(b) confirmation, or the Buyer confirms, that no approvals or consents are legally required from the relevant Government Agency of the Solomon Islands under the Environment Act for the Transaction to proceed;</li> </ul> </li> <li>(ix) by five Business Days prior to the Conditions Precedent End Date, in relation to the Mining Lease, the Buyer receives: <ul style="list-style-type: none"> <li>(a) any approvals or consents from the relevant Government Agency of the Solomon Islands that are legally required under the Mining Act for the Transaction to proceed; or</li> <li>(b) confirmation, or the Buyer confirms, that no approvals or consents are legally required from the relevant Government Agency of the Solomon Islands under the Mining Act for the Transaction to proceed;</li> </ul> </li> <li>(x) the parties having obtained any exchange control authorisation or other regulatory approval, document, opinion or assurance from the Central Bank of Solomon Islands (<b>CBSI</b>) which is necessary for the Transaction and the foreshadowed transfer of any liability to the Buyer under any loan provided by Glencore, and including the method and location of payment of and any approval or clearance required from any Tax or revenue authority in Solomon Islands enabling the PNI to Complete the Transaction and for the purposes of the Transaction Documents; and</li> </ul>
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	(xi) the Shareholders Agreement dated 17 April 2023 between PNM, PNMK and other PNMK shareholders ( <b>PNMK Shareholders Agreement</b> ) is amended to remove PNM as a party.
<b>Completion</b>	Completion will take place 3 business days after the day on which the last conditions precedent of the SPA is satisfied or (if applicable) waived, or any other date agreed in writing by PNI and the Buyer.
<b>Conduct before completion</b>	Customary restrictions on the conduct of business of PNMSI, PNMK and PNMV between the date of SPA and completion.
<b>PNI's Obligation at Completion</b>	At Completion, PNI must deliver to the Buyer (on behalf of the Buyer) (amongst other things):  (i) duly executed transfers in favour of the Buyer of the sale shares in their respective proportions and any consents which the Buyer reasonably requires to obtain registration of the transfer; and  (ii) a novation or assignment (at the Buyer's option, acting reasonably) to the Buyer for no additional consideration of the rights of PNM and PNI (whether actual, contingent or prospective) with respect to each intercompany loan or other loan balance between PNM, PNI and any PNMSI group member, on terms proposed by the Buyer in its reasonable discretion.
<b>Purchase Price</b>	At Completion, the Buyer must pay the Purchase Price to PNI.
<b>Warranties</b>	Customary warranties and indemnities for a transaction of this nature, subject to usual caps and limitations on claims and indemnities.
<b>Termination</b>	If any Condition Precedent is not satisfied or waived by 3 February 2026, then the SPA may be terminated by notice given by:  (i) the Buyer to PNI, provided that there is no unremedied breach by the Buyer in relation to the Conditions Precedent; or  (ii) PNI to the Buyer, provided that there is no unremedied breach by PNI in relation to the Conditions Precedent.  If the Buyer or PNI does not Complete, other than as a result of default by another party, the non-defaulting parties may at their option:  (i) proceed to Completion as far as is practical, without affecting or waiving their right to seek damages for the default; or  (ii) give the defaulting party notice requiring it to Complete within 10 business days of receipt of the notice. If the defaulting party does not Complete within this period, the non-defaulting parties may choose either to proceed

	for specific performance or terminate the SPA. In either case, the non-defaulting parties may seek damages for the default.
<b>Governing law</b>	New South Wales

<b>Agreement</b>	Royalty Agreement
<b>Parties</b>	Pacific Nickel International Pty Limited (ACN 645 921 866) <b>(PNI)</b> Green Rock (Solomon Islands Company Number 20251085) <b>(Buyer)</b>
<b>Royalty Payments</b>	On and from first full calendar month following Completion, the Buyer agrees to pay an amount equal to the Royalty Amount (if any) to PNI each calendar month provided that:  (i) the Royalty Conditions have been met; and  (ii) all necessary consents and approvals of any government authority in Solomon Islands have been obtained to have such funds remitted out of the Solomon Islands for this purpose.
<b>Consents and Approval</b>	If any consents and approvals are not obtained by the due date for payment for a Royalty Amount pursuant to the Royalty Agreement, the Buyer will use its reasonable endeavours to obtain such consents and approvals as soon as possible and pay any Royalty Amounts that have not been paid to PNI as soon as practicable after such consents and approvals are obtained. If any such consents and approvals are unable to be obtained, the Buyer and PNI will in good faith consider alternatives for PNI to receive the Royalty Payments.
<b>Royalty Conditions</b>	The "Royalty Conditions" are met in each calendar month where:  (i) the calendar month-long arithmetic average of the daily price quoted on the Shanghai Metals Market "Ni1.5%,Fe15-25%,FOB,Philippines Price, USD/wmt" screen ( <b>Screen Rate</b> ) exceeds US\$72 per tonne; and  (ii) at least 170,000 tonnes of Nickel (Ni) ore are shipped from the Kolosori Nickel Project within that same calendar month.
<b>Screen Rate Replacement</b>	If the Screen Rate has been discontinued, the Buyer and PNI will jointly nominate a reasonable alternative benchmark for the price of Nickel (Ni) ore.

<b>Term of Royalty</b>	The obligation on the Buyer to pay the royalty to PNI commences on Completion and continues throughout the period while Nickel (Ni) ore can lawfully be extracted and recovered from the Kolosori Nickel Project. If the vesting of any interest under the Royalty Agreement would be void under the rule against perpetuities at common law or under any statute imposing perpetuity periods, then that interest terminates one day before the end of the maximum time from the date of Royalty Agreement permitted by the law of New South Wales for that interest to be valid.
<b>Termination</b>	The Royalty Agreement shall terminate on the earliest to occur of: <ul style="list-style-type: none"> <li>(i) the date on which the last of the tenements which comprise the Kolosori Nickel Project terminates, expires, is relinquished or is subject to an expropriation event;</li> <li>(ii) the date on which it is no longer lawful for the Buyer (or its Subsidiaries) to extract or recover Nickel (Ni) ore from the Kolosori Nickel Project;</li> <li>(iii) the date on which the parties agree for the Royalty Agreement to be terminated; and</li> <li>(iv) the date on which termination occurs in accordance with the Royalty Agreement.</li> </ul>
<b>Relinquished Tenement and Expropriation Events</b>	The Buyer must give PNI a notice of the intention to relinquish, surrender or not renew or extend a tenement forming all or part of the Kolosori Nickel Project prior to taking such action.  The Buyer must give PNI a notice of expropriation after it receives such notice from the government agency.
<b>Relinquished Tenement</b>	PNI may give notice to the Buyer requiring it to convey or procure the relinquished tenement to PNI for A\$1.00. If it is unable to do under the applicable law, the Buyer may proceed to relinquish the tenement.
<b>Revival</b>	If any relinquished tenement or expropriated tenement revives within 3 years after relinquishment or expropriation, then such revived area shall again be subject to the calculation of the Royalty Amount.
<b>Governing law</b>	New South Wales

<b>Agreement</b>	Glencore Deed of Release
<b>Parties</b>	<p>Pacific Nickel International Pty Limited (ACN 645 921 866) <b>(PNI)</b></p> <p>Pacific Nickel Mines Limited ACN 075 613 268 <b>(PNM)</b></p> <p>Glencore International AG <b>(Lender)</b></p>
<b>Key terms</b>	<p>PNM is a guarantor under a facility agreement (for the USD22,000,000 and dated 18 April 2023 between the borrower, the guarantors (including PNM) and the Lender, as amended from time to time (including by way of an increase to the monetary size of the facility)) in favour of the Lender. In accordance with this document, the Lender agrees to release PNM and PNI from any further liability under that facility agreement.</p> <p>Completion is linked to Completion under the SPA.</p>
<b>Governing law</b>	England and Wales